



**South Shore
Hospital**

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July 21, 2014

Attn: Antitrust Division
Office of Attorney General
One Ashburton Place, 18th Floor
Boston, MA 02108

Dear Attorney General Coakley:

Please accept the enclosed submission as public comment from South Shore Hospital under the process established by the Suffolk Superior Court related to our proposal to join Partners Health Care.

Following more than two years of working with your office and several other entities during the public regulatory review process, we believe it appropriate to re-visit and re-affirm the circumstances and vision that motivated our plan to join Partners. For this purpose, I submit the testimony that I provided at the Determination of Need public hearing held by the Department of Public Health on March 6, 2013. Along with my comments from that day, I also submit testimony as given by Brian Hotarek, Chairman of the South Shore Health and Educational Corporation, and by Ken Kirkland, Chairman of the South Shore Hospital Board of Directors.

Together, these statements recall the in-depth strategic planning process undertaken with hospital, physician, and community leaders to ensure the preservation of South Shore Hospital's mission of healing, caring, and comforting for the people of our region. We decided then, and we affirm now, that becoming a member of Partners will best enable us to develop a new, more comprehensive system of care capable of fulfilling this mission. With respect for the regulatory process, we at South Shore Hospital are eager to begin implementing the vision for population health management that our community needs and we are hopeful that the Court will allow this plan to start becoming reality.

Sincerely,

Richard H. Aubut
President and Chief Executive Officer

SSH-PHS Determination of Need Public Hearing

Richard Aubut Testimony

March 6, 2013

Good Afternoon. My name is Richard Aubut. I am the President and Chief Executive Officer of South Shore Hospital. I want to thank the Department of Public Health for holding this hearing to discuss our application to join Partners HealthCare System.

I am here to explain the critical turning point now facing our Hospital and to request the Department's approval of our application to become a member of Partners. I will discuss why South Shore Hospital needs to become part of a larger healthcare system in order to better fulfill our mission and the objectives of the changing health care landscape.

South Shore Hospital has always been guided by a belief that the people of the South Shore deserve local access to expert care for many challenging conditions. We have developed comprehensive programs and unique licenses in areas such as cardiovascular care, high-risk maternity and pediatrics, as well as cancer, trauma, neurology, and chronic wound services.

Many of these programs were developed through clinical affiliations with Brigham and Women's Hospital. As a result, our families, friends, and neighbors are able to receive advanced care close to home without the additional cost and challenges of traveling to a Boston academic medical center.

South Shore Hospital is a dynamic organization. We just added 60 new inpatient beds for the increasing numbers of patients choosing us for care. We have added 450 new jobs and our medical staff has grown by 100 new physicians during my ten years as Chief Executive Officer.

We are fortunate to have a team of colleagues who believe in our mission of healing, caring, and comforting. We have been recognized three times as a Top Place to Work by the Boston Globe and have earned designation as a Magnet hospital for excellence in nursing.

Our growth has improved medical care for the people of the South Shore, provided good jobs for our neighbors, and supported vibrant economic activity in our home community of Weymouth – as well as in surrounding towns.

And we believe that our proposed affiliation will continue to provide future growth and employment opportunities.

Looking forward, major public policy reform is fundamentally changing how health care providers fulfill their missions. We understand the broad objectives of reform as accomplishing what is widely referred to as the “Triple Aim”:

- Improving the health of populations,
- Improving the experience of care, and
- Reducing the per capita cost of health care.

South Shore Hospital fully supports these reforms. However, they require that all types of providers restructure how we operate. Significant investments will be needed in care redesign, different skills and roles of providers, as well as systems to coordinate care management in order to deliver care in a quality oriented, cost-effective manner. We have concluded that the necessary changes and investments would be too large and complicated for us to achieve independently. Even with the stable condition of our Hospital, the scope of systemic reform needed to serve our region appropriately in this new environment requires a level of resources that we are incapable of providing alone.

As a member of the Partners system, we envision focusing on three initial priorities:

1. Redesigning a system of care to better improve population health through a collaborative network of primary care physicians,
2. Expanding community-based specialty care services, and
3. Connecting our providers through health information technology that will facilitate the sharing of information to better coordinate care.

By joining Partners, we will move beyond our previous collaboration on disease-specific service lines to establish and grow a network of Patient Centered Medical Homes – building a system of care that focuses on the overall health of our patients.

These medical homes will emphasize prevention and wellness to

- Reduce illness and injury
- Manage chronic disease
- Avoid hospitalizations
- And slow the growth in health care spending.

We anticipate that patients will be better served in a thoroughly coordinated, more comprehensive system of care.

Joining Partners will also enable South Shore Hospital to access the same infrastructure as other Partners providers, including information technology. We will be able to utilize an advanced IT network that Partners is in the process of implementing. The goal is to connect providers to make care more efficient and effective, reducing costs and improving quality and the patient experience.

We seek approval from DPH for Partners HealthCare System to become the sole corporate member of our parent organization. Our application meets all of the requirements of the DoN Program for this type of proposal. Our Board has voted its support for this change. Upon joining Partners, South Shore Hospital will continue to be guided by a community-based Board of Trustees. The Board will be responsible for decisions that include:

- Borrowings in excess of \$500,000
- Additions or conversions which constitute a substantial change in service
- Approval of capital and operating budgets,
- as well as projects that require Determination of Need approval.

Accordingly, the proposed change of ownership of South Shore Hospital fully complies with the requirements set forth by the Determination of Need Program.

In closing, South Shore Hospital shares the goals and objectives of both federal and state health care reform. However, no health care organization can achieve this vision on its own.

I ask the Department to approve our application to join Partners HealthCare so that we may continue as a strong employer ... a driving contributor to the vibrancy of our local communities ... and most of all, as a trusted resource capable of providing services to improve the health and quality of life for the people of our region.

Thank you for your consideration.

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Brian Hotarek Testimony

March 6, 2013

Good afternoon. My name is Brian Hotarek and I currently serve as the Chairman of the South Shore Health and Educational Corporation Board of Directors. I join Richard Aubut in thanking you for your time and attention to this important proposal, and its critical implications for South Shore Hospital.

As Richard noted, the Board of Directors has been considering the implications of federal and state health care reform for several years. While pursuing strategies that were necessary to continue providing excellent care under the old fee-for-service world, we have been concurrently laying the groundwork to be successful in pursuing “the Triple Aim,” that Richard articulated, under the new rules of reform.

In order to better focus on accomplishing reform, an important Board-level change that we made was to split the Board of Directors into two Boards with distinct responsibilities. The South Shore Health and Educational Corporation Board, which we refer to as the “System Board,” is focused on considering the broad strategic issues related to the concepts of relationships with other providers and managing the transition of this charity into the new health care environment. The South Shore Hospital Board of Directors is also a group of volunteer community leaders, chaired by Mr. Ken Kirkland, who are focused on the strategic issues related to running the Hospital itself – hospital-based investments, accomplishing

annual goals and metrics, and strengthening the organizational and community-based culture of the Hospital.

Two years ago, the Directors, in conjunction with Richard and his administrative team, and in collaboration with groups of our physician leaders, began a planning process to evaluate the strategic, operational, and financial changes that would be necessary to enable South Shore Hospital to fulfill its mission and vision under the new rules being established by federal and state health reform. We engaged with our advisors to provide both a full understanding of the changing environment as well as viable options for us to consider. We evaluated a wide variety of strategies, including remaining a fully independent community hospital, partnering with any one of several Boston-area academic medical centers, as well as joining a national health organization, either non-profit or for-profit.

After several months of research and deliberation, the Board of Directors unanimously agreed that the challenges necessary to fulfill the Triple Aim were too large for us to successfully manage on our own. We needed a partner, and our analysis concluded that the clear choice for us is Partners HealthCare System. This decision was based on several factors:

1. We agreed on a strong desire to retain the non-profit charitable model of care.
2. We have been working with Partners for more than a decade and have established a strong track record of developing comprehensive new care programs for our communities.
3. In developing these programs together, we have established a strong degree of trust between our organizations and demonstrated to each other, as well as

to our community, that we can execute on strategic planning and actually deliver effective new programs.

4. Through this decade of collaboration, we have also developed a shared vision for the fulfillment of the Triple Aim and the necessary establishment of new models for care that will improve outcomes and control cost.
5. We need the experience and resources of the Partners system to build the network of care capable of increasing physician access and establishing new care protocols that will fulfill the Triple Aim.
6. Partners can provide the framework needed to successfully provide the models of care dictated by health reform. Partners has announced that they intend to invest in building a new information technology network. This is a critical aspect of fulfilling the Triple Aim and something that South Shore Hospital could not accomplish on our own.

In closing, the Board of Directors of the South Shore Health and Educational Corporation is deeply committed to the vision of a new model of care that improves population health and reduces the cost of care. We are moving from a Hospital focused on providing services to address the acute illnesses of our region to an organization that is part of a system of care committed to enhancing the overall health of people in our region over the course of their lifetimes. This proposal provides South Shore Hospital with the partner that we need to successfully serve this mission. I respectfully ask the Department of Public Health to approve our application for a Determination of Need. Thank you.

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Ken Kirkland Testimony

March 6, 2013

My name is Ken Kirkland. I am Managing Partner of the CPA firm, Kirkland Albrecht & Fredrickson, LLC, an accounting and financial services firm with offices in Braintree and Woburn. I also serve in a voluntary capacity as the Chairman of the South Shore Hospital Board of Directors. Thank you for providing this forum today to outline objectives of the proposed merger of South Shore Hospital with Partners HealthCare System.

Please note that I served as a member and Vice Chairman of the Board during the strategic planning process that Brian Hotarek just explained. I also want to express the Board's full support for the proposal for South Shore Hospital to join Partners Health Care. All of us on the Board of Directors take our role as stewards of the Hospital's charitable mission of healing, caring, and comforting for the people of our region very seriously. We are all very dedicated to and appreciative of the important community resource that the Hospital offers and the positive impact it has on the quality of life in the communities in which we are all living and raising our families.

As a member of the Board that participated in the process, I agree with the points laid out by Brian Hotarek as to the decision to seek a system partner and why Partners Health Care is the best choice for South Shore Hospital. I want to reiterate our complete support of the proposed transaction from the perspective of

the South Shore Hospital Board of Directors. The formal affiliation agreement that establishes the vision and structure of how South Shore Hospital will join Partners does an excellent job of describing the objectives of the proposal as described by Richard Aubut and Brian Hotarek.

The agreement also details a very productive governance structure that will facilitate the execution of this vision through shared accountability and responsibilities. With a formal role established in the Partners Board and leadership structure, the interests of the community will be given a strong voice in the future of the broader Partners system. Additionally, with the retention of a strong independent local Board of South Shore Hospital, community representatives will continue to have meaningful control over the regular operations, investments, and culture of South Shore Hospital itself.

With this balance of shared governance in the broader system and maintenance of strong community leadership, I am an enthusiastic supporter of the plan to join Partners Health Care. I am satisfied as a member of the community leadership team that this proposal fulfills our responsibility to ensure the preservation of this charitable organization and its mission to serve the people of the South Shore.